

February 21, 2014

Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the February 21, 2014 meeting were distributed to Commission members, intervenors and other interested parties on January 24, 2014 and sent to the Secretary of State's Office for posting on January 24, 2014.

Commission Present: Mike Wiers, Colon Durrell and Matt Randall, *ex-officio*

Commission Absent: Richard Cook, John Joseph, Jr.

Department Officials: None

Staff Present: Tim Drake, Executive Director, Audrey Shorty, Resource Administrator and Carol Gauthier, Office Associate

Legal Counsel: Lauren Parker

Intervenors Present: Jim Lesser of Oakhurst Dairy, John Blake, H.P. Hood, Dale Cole & Julie-Marie Bickford of MDIA, Shelley Doak, Maine Grocer Association and Clayton Davis & Bob Fortin of DMS/DFA

Others Present: Doug Carr, Carr Consulting and Mary Frank, member of the public.

Chairman Wiers called the meeting to order at 10:30 a.m.

Agenda Item 1: Minutes: Colon Durrell made a motion to accept the minutes of the January 24, 2014 meeting, Matt Randall seconded the motion. Motion passed 2-0.

Agenda Item 2: Lauren Parker, Assistant Attorney General: A.A. G, Lauren Parker gave a brief update of the progress made with Shaw's, Walmart and Gowell's IGA relative to the retail margin study.

Agenda Item 3: Minimum Prices:

Tim Drake reported that a prevailing premium of \$1.10/cwt. on Class I for March 2014, Dairy Marketing Services (DMS) had been reported. In addition to this premium, DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in effect. Federal Order One Class I price for March is \$26.89, an increase of \$1.62/cwt. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.35/cwt. He stated that this price schedule was for informational purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked for testimony from the intervenors.

John Blake stated that this would be a good time to lower the COPA to \$1.25/cwt in light of the rise of the Class I price. He pointed out that there was no other instance in the historical record to show where the Class I price had been this high and the COPA was held at this level.

Julie-Marie Bickford suggested that the Commission take a slow and steady approach to lowering the COPA; she said the argument couldn't be made for the COPA to not be lowered. She also said that past high feed costs were still affecting Maine's dairy farms.

Jim Lesser testified that this upcoming year continued to look strong for producers and advocated for the \$1.25 level for the COPA.

Julie-Marie stated that fertilizer will be a problem for farms this growing season due to prices and availability and that soy and alfalfa prices are still high.

Colon Durrell made the motion to approve order #03-14 with a producer margin of \$1.25.

Matt Randall seconded the motion.

Julie-Marie Bickford stated the COPA had dropped \$0.23/cwt over the last three months.

Chairman Wiers called for a vote on the motion. The motion passed 2-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for February 2014 which showed retail prices for Augusta, Scarborough, South Portland, Brunswick, Biddeford, Bangor and Brewer. The IAMCA price survey was unavailable.

Agenda Item 5: Next Scheduled Meetings:

- March 20, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- April 24, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- May 22, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- June 19, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME

Agenda Item 6: Other:

1. **Monthly Financial Report:** The financial report for FY14 was reviewed.
2. **Retail Margins Update:** Tim Drake reported that he had spoken with Herbein & Co. and they had agreed to be prepared to present a report to the Commission at the May 22nd meeting.
3. **Walmart violation:** Tim Drake informed the commission that the matter had been resolved and the fine of \$1,000 had been received.

Agenda Item 7: Executive Session: None

Adjourned: Adjourned; 10:47 a.m. February 21, 2014.
Tim Drake, Maine Milk Commission